

Message Text

PAGE 01 STATE 103724

15

ORIGIN EB-02

INFO OCT-01 EUR-01 IO-01 ADP-00 /005 R

66646

DRAFTED BY: EB/ ORF: TRP R. C. SCISSORS

APPROVED BY: EB/ ORFXTRP: R. C. SCISSORS

----- 083017

R 302139 Z MAY 73

FM SECSTATE WASHDC

TO AMEMBASSY BONN

AMCONSUL BREMEN

USMISSION GENEVA

LIMITED OFFICIAL USE STATE 103724

THE FOLLOWING SENT ACTION SECSTATE INFO BOGOTA , BRASILIA,
GUATEMALA, KINGSTON, MANAGUA, PANAMA, ROME, TEGUCIGALPA, QUITO
FROM SAN JOSE 29 MAY 1973 REPEATED TO YOU QUOTE:

LIMITED OFFICIAL USE SAN JOSE 1876

ROME FOR FODAG

E. O. 11652: N/ A

TAGS: FAO, UNCTAD, OAS, XM, GW, CS, IT, EAGR, ETRD

SUBJ: COSTA RICAN BANANA CONFERENCE

REF: STATE 096078

SUMMARY: MEETING OF BANANA EXPORTING COUNTRIES IN
SAN JOSE, MAY 17-19, 1973, WAS MORE INDICATIVE OF
DIFFERENCES THAN CONSENSUS AMONG PRODUCER NATIONS.
MAIN RESULT WAS AGREEMENT TO GET TOGETHER AGAIN IN
GUAYAQUIL, ECUADOR, IN JULY. IT WAS AGREED THAT IT WOULD
BE NECESSARY TO SEEK POSTPONEMENT OF BOTH THE OAS- SPONSORED
MEETING IN PANAMA AND FAO MEETING IN BREMEN. END SUMMARY.

1. AT THE INVITATION OF THE GOCR FOREIGN MINISTRY

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 103724

AND COSTA RIC' S ASOCIACION BANANERA NACIONAL S. A. (ASBANA),
A MIXED GOVERNMENT/ PRIVATE ASSOCIATION OF
INDEPENDENT PRODUCERS, REPRESENTATIVES OF COSTA RICA,
ECUADOR, COLOMBIA, GUATEMALA, HONDURAS, AND PANAMA,

MEOIIN SAN JOSE MAY 17-19. ALL COUNTRIES EXCEPT PANAMA WERE REPRESENTED BY SPECIAL DELEGATIONS. PANAMA WAS REPRESENTED BY ITS AMBASSADOR, DAVID PERE.

2. THEMES TREATED AND CONCLUSIONS REACHED WERE AS FOLLOWS:

A. ANALYSIS OF PRODUCTION AND WORLD TRADE PROSPECTS -- AND EXHORTATORY RESOLUTION WAS ADOPTED CONCERNING THE NEED FOR LIMITING PRODUCTION AND DIVERSIFYING MARGINAL LANDS OUT OF BANANAS.

B. ON JOINT NEGOTIATIONS FOR IMPROVING MARKET CONDITIONS -- A RESOLUTION WAS ADOPTED SUGGESTING A JOINT EFFORT BE MADE FOR: OPENING NEW MARKETS, SECURING BETTER PRICES, OBTAINING TARIFF AND NON- TARIFF REDUCTIONS AND CONFRONTING INTERNATIONAL FORA AND THE EUROPEAN COMMON MARKET.

C. INTERNATIONAL BANANA INSURANCES-- COSTA RICA WAS TASKED WITH THE JOB OF PREPARING A STUDY REGARDING ESTABLISHMENT OF A LOW COST CROP INSURANCE PLAN. OTHER COUNTRIES WERE ASKED TO LOOK INTO THIS QUESTION ON THEIR OWN.

D & E. THESE TOPICS CONCERNED STATISTICAL INTERCHANGE AND " METHODS FOR DEFENDING THE PARTICIPATION OF MEMBERS IN THE INTERNATIONAL MARKET". APPARENTLY, THE TWO TOPICS WERE SHUNTED ASIDE.

F. CREATION OF A PERMANENT BANANA PRODUCERS' ASSOCIATION-- AFTER MUCH DEBATE THIS TOPIC WAS PUSHED OFF FOR CONSIDERATION AT A GUAYAQUIL MEETING PROPOSED FOR JULY. IT NEVERTHELESS WAS THE SINGLE ITEM THAT CLEARLY INDICATED THE DIFFERENCES AMONG THE VARIOUS PARTICIPATING COUNTRIES. COSTA RICA HAD TABLED FOR LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 03 STATE 103724

DISCUSSION A DOCUMENT ENTITLED " INTERNATIONAL CONVENTION FOR THE CREATION OF A BANANA COUNTRY EXPORTERS' UNION (UPBE)". OBVIOUSLY, THE DELEGATES WERE NOT PREPARED TO GIVE MUCH CONSIDERATION TO SIGNING SUCH A TREATY. GUATEMALA, HONDURAS, AND PANAMA REPORTEDLY WERE STRONGLY OPPOSED, WHILE COSTA RICA AND ECUADOR FAVORED THE IDEA. GUATEMALA PARTICULARLY, SPOKE OUT STRONGLY FOR THE PRINCIPLE OF NON- PROLIFERATION OF INTERNATIONAL ORGANIZATIONS. THIS THEME WAS FINALLY DISPOSED OF WITH THE AGREEMENT THAT ECUADOR WOULD PRODUCE A NEW STUDY OF THE PROPOSITION FOR CONSIDERATION AT THE GUAYAQUIL MEETING. IT WAS ALSO AGREED THAT THE PANAMA

AND FAO MEETING IN BREMEN WOULD HAVE TO BE POSTPONED BECAUSE OF THE GUAYAQUIL MEETING.

G. JOINT ACTIONS-- THE MEETING AGREED THAT AN ATTEMPT WOULD BE MADE AT THE GUAYAQUIL MEETING TO DEVELOP A JOINT STRATEGY FOR THE FORTHCOMING FAO MEETING, AS WELL AS FOR UNCTAD AND GATT MEETINGS.

3. COMMENT: EMBOFFS HAVE DISCUSSED THIS MEETING WITH A NUMBER OF PARTICIPATING GOCR OFFICIALS AND PRIVATE INDIVIDUALS. FRANCISCO CORDERO GENE, ADMINISTRATIVE DIRECTOR OF ASBANA INFORMED THE AGATT THAT THE MAJOR FORCE BEHIND COSTA RICAN PROPOSAL FOR ESTABLISHMENT OF UPEB WAS RODOLFO GURDIAN MONTEALAGRE, A DIRECTOR OF ASBANA AND ONE OF COSTA RICA'S MAJOR INDEPENDENTS. CORDERO SAID THAT ASBANA STANDS FULLY BEHIND THE PROPOSED CREATION OF A BANANA PRODUCERS' ORGANIZATION, BUT THAT IT REALIZES THAT MANY PROBLEMS WOULD HAVE TO BE SOLVED BEFORE SUCH AN OFFICE COULD BE EFFECTIVE. HE WAS PARTICULARLY CONCERNED WITH ECUADOR'S SURPLUS PRODUCTION PROBLEM AND PLANNED EXPANSION OF PRODUCTION IN GUATEMALA AND COLOMBIA.

4. VICE FOREIGN MINISTER, FERNANDO SALAZAR NAVARETE, WHO IS ALSO A BANANA PRODUCER ON THE SIDE, TOLD AN EMBOFF THAT THE GOCR HAD CALLED THIS CONFERENCE BECAUSE OF THE SERIOUS SITUATION FACING INDEPENDENT PRODUCERS IN COSTA RICA. THE CENTRAL BANK HAS HEAVILY SUPPORTED THE INDEPENDENTS WITH LONG TERM LOANS. THE LIMITED OFFICIAL USE LIMITED OFFICIAL USE

PAGE 04 STATE 103724

INDEPENDENTS, IN TURN, FIND THEMSELVES CAUGHT IN A SERIOUS COST/ PRICE SQUEEZE. (THEY HAVE LONG- TERM CONTRACTS AT FIXED PRICES WITH THE MTYSUD ORGANIZATIONS-- THUS GURDIAN'S S REFERENCE TO "50 CENTS BOX MORE" IN GUATEMALA'S 2511.) MOREOVER, HE SAID, THE GOCR IS GREATLY CONCERNED WITH EMPLOYMENT IMPLICATIONS OF THIS SEGMENT OF THE INDUSTRY. HE NOTED THAT THE MEETING SHOULD NOT BE CONSTRUED AS " ANTI- UNITED" AND THAT INDEED THE LARGE BANANA COMPANIES HAD OBSERVERS AT THE MEETING. SALAZAR WENT ON TO EXPLAIN THAT THE POSITION OF EACH COUNTRY DURING THE SAN JOSE MEETING ON THE PROPOSAL FOR CREATING A NEW ORGANIZATION SEEMED TO BE DETERMINED BY WHETHER THE COUNTRY HAD ANY SERIOUS " INDEPENDENTS PROBLEM" OR NOT. IT WAS ONLY NATURAL, HE POINTED OUT, THAT GUATEMALA AND HONDURAS WOULD SEE THE PROBLEM AS BASICALLY ONE OF WORKING OUT ADVANTAGEOUS CONTRACTUAL RELATIONSHIPS WITH THE LARGE COMPANIES (UNITED, STANDARD, DEL MONTE). SALAZAR ADMITTED THAT BANANA OLD DID NOT LEND THEMSELVES TO THE SAME COMMODITY AGREEMENT APPROACH AS DID COFFEE AND NOTED THAT THE NOTION OF

INCRASING PRICES BY MANIPULATING PRODUCTION BOILED
DOWN TO THE DIFFICULT ONE OF CONVINCING SOME PRODUCERS
IT MIGHT BE IN THEIR INTERESTS NOT TO PLANT.

5. IN A SEPARATE CONVERSATION WITH MINISTER
FINANCE CLAUDIO ALPIZAR, ALPIZAR TOLD THE SAME EMBOFF
THAT HE HAD REFUSED TO ATTEND THE INNAUGUARAL SESSION OF
THE MEETING BECAUSE HE HAD ABSOLUTELY NO FAITH IN WHAT
THE MEETING WAS SUPPOSED TO ACHIEVE. ALPIZAR SAID
THAT THE ONLY SOLUTION TO COSTA RICA' S BANANA PROBLEM
WAS THAT OF NEGOTIATING THE MOST FAVORABLE CONTRACT
POSSIBLE WITH THE BIG COMPANIES. HE ONCE AGAIN
EXPRESSED HIS SATISFACTION WITH THE NEW CONTRACT
AMENDMENTS HE HAD NEGOTIATED WITH UNITED BRANDS,
AND ASSURED THE EMBOFF THAT THE RENEGOTIATED
AGREEMENT WOULD BE SUBMITTED FOR ASSEMBLY. S
APPROVAL IN A MATTER OF DAYS.

6. EMBASSY POUCHING DOCUMENTS.

VAKY

UNQUOTE

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 05 STATE 103724

RUSH

LIMITED OFFICIAL USE

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 10 MAY 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GW
Control Number: n/a
Copy: SINGLE
Draft Date: 30 MAY 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973STATE103724
Document Source: ADS
Document Unique ID: 00
Drafter: EB/ ORF: TRP R. C. SCISSORS
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: n/a
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730560/abqcempe.tel
Line Count: 192
Locator: TEXT ON-LINE
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: STATE 096078
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 09 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09-Aug-2001 by shawdg>; APPROVED <12-Sep-2001 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> mcm 980310
Subject: COSTA RICAN BANANA CONFERENCE
TAGS: EAGR, ETRD, CS, IT, XM, FAO, OAS, UNCTAD
To: BONN
BREMEN
GENEVA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005